Alberta

Weekly Economic Review

December 18, 2009

Consumer Price Index

Higher pump prices push CPI upward…

Alberta's year-over-year CPI rate was 0.8% in November. This was the index's second consecutive increase and strongest growth since March 2009. This rise in inflation was mainly due to gasoline prices, which were 7.9% higher than November 2008.

Nationally, prices were 1.0% higher in November than a year ago. As was the case in Alberta, higher gasoline prices were the major reason for the rise.

Existing Home Sales

Sales decline, but prices continue to increase…

Sales of existing homes in Alberta declined between October and November by 2.5% to a total of 5,549 units (seasonally adjusted). Despite the drop, sales last month were still 51.4% above the November 2008 level.

However while sales declined, the persistence of historically low interest rates likely provided lift for the prices paid for existing homes. The average seasonally adjusted price of a home increased (2.9%) in November for the fourth consecutive month to $355,746 (seasonally adjusted), slightly above the Canadian average of $343,522.

Manufacturing Shipments

October sees modest growth…

Manufacturing shipments in Alberta rose 0.5% (seasonally adjusted) in October. The gain in sales largely reflected an increase in the growth from September of the petroleum and coal products (6.8%) and the plastics and rubber manufacturing (4.8%) industries. Manufacturing shipments were 23.9% lower through October compared to the same period of 2008. Nationally, manufacturing shipments also expanded by 2.0% (sesonally adjusted) in October, the fourth increase in five months.

Canadian Dollar (US¢/CS)		
	December 18, 2009	93.65
	December 11, 2009	94.47
	2009-10 YTD	90.36
WTI Oil US$/bbl		
	December 17, 2009	$ 72.65
	December 10, 2009	$ 70.54
	2009-10 YTD	$ 67.66
Nymex Natural Gas CS/MMBtu *		
Near-month Contract		
	December 18, 2009	$ 6.18
	December 11, 2009	$ 5.59

*Estimate based on Nymex Futures Market Price

Wholesale Trade

Alberta posts another slight decline…

Alberta's wholesale trade suffered a slight decline (-0.9%) in October. This was the twelfth straight monthly decline and wholesale trade is now 23.8% below the level recorded in October 2008. Canadian wholesale trade was up 0.3% (seasonally adjusted) from September.

New Motor Vehicle Sales

Alberta vehicle sales higher in October …

For the second consecutive month, new motor vehicle sales in Alberta increased, growing by 3.2% to 16,725 units (seasonally adjusted) in November. Compared to last year, sales were 13.3% lower.

US Monetary Policy

Federal Reserve Bank leaves rates unchanged…

As expected, the Federal Reserve Bank maintained interest rates at historically low levels on Tuesday. While the Fed noted that US economic activity continues to pick up, it believes that the potential for inflation remains low as high levels of excess capacity persist.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	Jun	Jul	Aug	Sep	Oct	Nov
Real GDP (in 2002 $billions)	185.9	185.8	--	--	--	--	--	--	--
% change	2.5	0.0	--	--	--	--	--	--	--
Nominal GDP ($ billions)	256.9	291.3	--	--	--	--	--	--	--
% change	7.7	14.1	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688	--	3,688	--	--	--	--
% change	2.7	2.4	2.6	--	2.6	--	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	--	4,737	--	--	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	--	6,089	--	--	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058	--	2,594	--	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,990	1,990	1,986	1,979	1,982	1,967	1,980
% change	4.7	2.8	-1.3	-1.6	-1.6	-1.6	-1.9	-3.4	-2.3
Unemployment Rate (%)	3.5	3.6	6.5	6.8	7.2	7.4	7.1	7.5	7.4
Average Hourly Wage Rate	6.0	5.7	4.6	6.1	4.6	5.9	3.7	3.9	2.5
Average Weekly Earnings[2]	5.8	6.0	3.7	3.4	4.1	1.2	1.3	--	--
Labour Income[3]	10.5	8.7	1.7	1.0	0.3	-1.6	-1.9	--	--
Price Indices									
Consumer Price Index NEW!	5.0	3.1	-0.2	-1.6	-1.5	-1.7	-1.1	0.1	0.8
Excluding food and energy	5.0	2.1	1.5	1.6	1.4	1.3	1.4	1.8	1.0
Non-Res. Const. Cost Index[4] (quarterly)	17.4	13.2	-9.3	-11.3	--	--	-14.8	--	--
Farm Product Price Index	15.1	11.2	-10.6	-16.6	-16.6	-17.3	-18.8	--	--
Crops	43.4	26.2	-22.3	-29.6	-26.5	-23.6	-20.2	--	--
Livestock	0.6	2.3	0.4	-5.6	-9.8	-15.4	-13.2	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	18.2	20.0	19.3	20.1	22.6	25.0	24.8
% change	-2.1	-39.7	-38.8	-12.7	-32.0	-13.7	-6.2	-0.8	21.0
New Housing Price Index	22.5	0.7	-9.4	-9.8	-9.3	-8.9	-8.9	-7.9	--
Edmonton	32.1	1.0	-11.5	-11.7	-11.1	-11.4	-11.4	-10.1	--
Calgary	16.2	0.6	-7.3	-8.0	-7.3	-6.3	-6.4	-5.6	--
MLS Average Resale Prices NEW!	24.3	-1.4	-3.9	-4.6	-2.4	0.2	1.3	2.6	3.5
Edmonton	34.3	-2.0	-4.1	-3.8	-3.1	-3.3	0.7	0.4	0.0
Calgary	18.7	-2.9	-5.2	-6.3	-5.2	-0.4	1.1	2.9	4.4
Retail Sales	9.3	-0.1	-9.8	-7.2	-8.4	-10.1	-8.3	--	--
New Motor Vehicle Sales NEW!	3.3	-7.3	-23.4	-22.2	-18.6	-20.6	-15.6	-13.3	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-49.3	-56.3	-66.2	-62.7	-54.1	-50.9	-35.6
Goods Exports (customs based)	5.3	34.6	-39.2	-36.2	-43.9	-42.6	-40.3	-39.6	--
Energy	4.4	42.5	-44.1	-39.4	-48.0	-45.1	-42.3	-41.3	--
Agriculture	9.8	32.0	-7.4	1.3	-6.8	-9.3	-23.8	-23.8	--
Total Farm Cash Receipts (quarterly)	11.9	17.2	-6.7	-6.4	--	--	-16.1	--	--
Manufacturing Shipments NEW!	1.1	7.0	-23.9	-26.9	-32.7	-25.8	-28.8	-24.9	--
Wholesale Trade NEW!	5.0	10.9	-14.2	-11.6	-16.8	-22.5	-20.3	-23.8	--
Building Permits	13.4	-16.5	-24.4	-25.2	-29.8	-7.6	-8.0	70.1	--
Residential	10.7	-31.5	-22.8	-17.8	-9.5	39.1	40.8	47.2	--
Non-residential	17.1	3.7	-25.8	-31.0	-46.1	-46.9	-46.0	93.7	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are for the census year of 2009

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Autumn 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.4%***	0.5%	0.5%	2.2%	0.0%	1.0%	-0.5%	2.0%	4.2%	**0.0%**	0.0%
2009	***-2.3%***	-3.6%	0.9%	0.4%	0.4%	-1.4%	-2.9%	0.5%	-2.6%	**-2.6%**	-2.0%
2010	***3.0%***	-0.5%	1.8%	1.9%	2.0%	2.4%	3.2%	2.5%	3.7%	**3.0%**	4.2%
Population (As of July 1, 2009)											
Population	**33,739,859**	508,925	140,985	938,183	749,468	7,828,879	13,069,182	1,221,964	1,030,129	**3,687,662**	4,455,207
Annual Growth Rate[a]	***1.2%***	0.5%	1.1%	0.2%	0.3%	1.0%	1.0%	1.3%	1.6%	**2.6%**	1.6%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		-528	-291	-1,794	-908	-11,682	-14,750	-3,703	4,171	**15,317**	14,643
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
Employment											
Level Change (000s)[b]	**-193.7**	-1.8	1.9	1.8	1.8	-24.9	-97.7	0.9	0.9	**-45.6**	-30.9
Percent Change[b]	***-1.1%***	-0.8%	2.8%	0.4%	0.5%	-0.6%	-1.5%	0.1%	0.2%	**-2.3%**	-1.3%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.5	12.3	9.2	8.9	8.5	9.1	5.1	4.8	**6.5**	7.5
Participation Rate, 2009 avg (SA)	***67.3***	59.2	68.0	64.6	64.7	65.3	67.4	69.4	70.2	**74.4**	65.9
Average Weekly Earnings											
September 2009	**830.68**	802.99	702.59	739.81	763.17	766.41	856.23	783.67	814.56	**959.46**	797.58
Y/Y Percent Increase[c]	***2.0%***	3.8%	6.2%	3.0%	4.0%	3.1%	2.1%	4.3%	2.9%	**1.3%**	-0.2%
2009 Wage Settlements (Jan-Nov)										**2.2%**	
CPI Inflation											
November Annual NEW!	**1.0%**	1.1%	1.9%	1.7%	2.2%	1.7%	1.0%	0.8%	0.8%	**0.8%**	0.1%
Excluding Shelter	**2.0%**	1.7%	3.3%	2.6%	2.5%	2.2%	2.2%	1.3%	1.6%	**2.1%**	1.2%
Housing Starts (000s)											
SAAR October 2009	**158.5**	3.2	1.0	2.8	3.9	40.4	53.0	4.2	6.1	**24.8**	19.2
Retail Sales											
Percent Change[d]	**-1.5%**	4.3%	3.1%	0.7%	3.2%	1.3%	-0.9%	0.8%	-2.7%	**-8.3%**	-2.9%
2009 YTD Retail Sales Growth	**-4.8%**	1.5%	-1.5%	-1.8%	-1.6%	-2.3%	-4.4%	-2.4%	-3.2%	**-9.8%**	-7.9%
Manufacturing Shipments											
Percent Change[d] NEW!	**-17.2%**	-22.1%	-10.8%	-16.9%	-29.3%	-15.4%	-15.4%	-19.3%	-16.7%	**-24.9%**	-17.0%

a. Over the past 12 months
b. November 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to September 2009
d. October 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada